

§ 1776.4 [Reserved]

Subpart B—HWWS Grants

§ 1776.5 Eligibility to receive a HWWS grant.

- (a) The applicant must be a private organization.
- (b) The applicant must be organized as a non-profit organization.
- (c) The applicant must have legal capacity and lawful authority to perform the obligations of a grant recipient under this part. Example 1: If the organization is incorporated as a non-profit corporation, it must have corporate authority under state law and its corporate charter to engage in the practice of making loans to individuals. Example 2: if the organization is an unincorporated association, state law may prevent the organization from entering into binding contracts, such as a grant agreement.
- (d) The applicant must have sufficient expertise and experience in lending and in promoting the safe and productive use of individually-owned household water well systems and ground water to assure the likelihood that the objectives of this part can be achieved.

§ 1776.6 Notice of availability of funds.

- (a) In Fiscal Year 2005, applications will be accepted for this program from May 19, 2005, until July 18, 2005, at which time the application period will close. An applicant may withdraw, substitute, amend or supplement its application at any time before the application period closes. Once the application period has closed, all applications will be final.
- (b) For subsequent fiscal years, if any funds for this program are available, the Secretary will publish a notice to that effect. The notice will establish the period during which applications for such funds may be submitted for consideration.

§ 1776.7 HWWS Grant application process.

- (a) The applicant must complete and submit the following standard forms to RUS to apply for a HWWS grant under this part:

(1) Application for Federal Assistance: *Standard Form 424*,

(2) Budget Information—Non-Construction Programs: *Standard Form 424A*, and

(3) Assurances—Non-Construction Programs: *Standard Form 424B*.

- (b) The applicant must submit a written work plan that demonstrates the feasibility of the applicant's lending program to meet the objectives of this part.

(c) The applicant should submit a narrative establishing the basis for any claims that it has substantial expertise in promoting the safe and productive use of individually-owned household water well systems. The Secretary will give priority to an applicant that demonstrates it has substantial experience of this type.

(d) The applicant must submit:

(1) A pro forma balance sheet at start-up and projected balance sheets for at least three additional years,

(2) Financial statements for the last three years, or from inception of the operations of the grant recipient if less than three years, and

(3) Projected cash flow and earnings statements for at least three years, supported by a list of assumptions showing the basis for the projections. The projected earnings statement and balance sheets must include one set of projections specific to the revolving loan fund, and a separate set of projections that detail the proposed applicant organization's total operations.

(e) The applicant may submit such additional information as it elects to support and describe its plan for achieving the objectives of this part.

§ 1776.8 Methods for submitting applications.

(a) Applications may be filed in either paper or electronic format. RUS will not accept applications by fax or e-mail.

(b) Paper applications for HWWS grants may be delivered by the U.S. Postal Service (USPS) or courier delivery services. Applications submitted by mail or courier must be postmarked no later than the filing deadline to be considered for the grant period. Applications delivered by mail or courier must

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be addressed to the attention of the Assistant Administrator, Water and Environmental Programs as follows: ATTN: Assistant Administrator, WEP, Rural Utilities Service, Stop 1548 Room 5145 South, 1400 Independence Ave. SW., Washington, DC 20250–1548.

(c) Electronic applications may be filed through Grants.gov, the official Federal Government Web site at <http://www.grants.gov>. The applicant must be registered with Grants.gov before they can submit a grant application. The applicant should refer to instructions found on the Grants.gov Web site for procedures for registering and using this facility. An applicant who is not registered on Grants.gov should allow a sufficient number of business days to complete the process. Applications submitted electronically must be show an electronic date and time stamp on or before the filing deadline to be considered for the grant period.

(d) The methods of submitting applications may be changed from time to time to reflect changes in addresses and electronic submission procedures. The applicant should refer to the most recent notice of funding availability for notice of any such changes. In the event of any discrepancy, the notice must be followed.

§ 1776.9 Scoring applications.

(a) Applications that are incomplete or ineligible will be returned to the applicant, accompanied by a statement explaining why the application is being returned.

(b) Promptly after an application period closes, all applications that are complete and eligible will be ranked competitively based on the following scoring criteria:

(1) Degree of expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water. Up to 30 points

(2) Degree of expertise and successful experience in making and servicing loans to individuals. Up to 20 points

(3) Percentage of applicant contributions. Points allowed under this paragraph will be based on written evidence of the availability of funds from sources other than the proceeds of a HWWS grant to pay part of the cost of

a loan recipient's project. In-kind contributions will not be considered. Funds from other sources as a percentage of the HWWS grant and points corresponding to such percentages are as follows:

- (i) 0 to 9 percent—ineligible;
- (ii) 10 to 25 percent—5 points;
- (iii) 26 to 30 percent—10 points;
- (iv) 31 to 50 percent—15 points; and
- (v) 51 percent or more—20 points

(4) Extent to which the work plan demonstrates a well thought out, comprehensive approach to accomplishing the objectives of this part, clearly defines who will be served by the project, and appears likely to be sustainable. Up to 20 points

(5) Extent to which the goals and objectives are clearly defined, tied to the work plan, and measurable. Up to 10 points

(6) Lowest ratio of projected administrative expenses to loans advanced. 10 points

(7) Administrator's discretion, considering such factors as creative outreach ideas for marketing HWWS loans to rural residents, the amount of funds requested in relation to the amount of needs demonstrated in the work plan, previous experiences demonstrating excellent utilization of a revolving loan fund grant, and optimizing the use of agency resources. Up to 10 points

(c) All qualifying applications under this part will be scored based on the criteria contained in this section. Awards will be made based on the highest ranking applications and the amount of financial assistance available for HWWS grants. All applicants will be notified in writing of the score each application receives.

§ 1776.10 Grant agreement.

RUS and the grant recipient will enter into an agreement setting forth the terms and conditions governing a particular HWWS grant award. RUS will furnish the form of grant agreement. No funds awarded under this part shall be disbursed to the grant recipient before the grant agreement is binding and RUS has received a fully executed counterpart of the grant agreement.